



General Assembly

**Substitute Bill No. 993**

January Session, 2015



**AN ACT CONCERNING FACILITY FEES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-508c of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Affiliated provider" means a provider that is: (A) Employed by  
5 a hospital or health system, (B) under a professional services  
6 agreement with a hospital or health system that permits such hospital  
7 or health system to bill on behalf of such provider, or (C) a clinical  
8 faculty member of a medical school, as defined in section 33-182aa,  
9 that is affiliated with a hospital or health system in a manner that  
10 permits such hospital or health system to bill on behalf of such clinical  
11 faculty member;

12 (2) "Campus" means: (A) The physical area immediately adjacent to  
13 a hospital's main buildings and other areas and structures that are not  
14 strictly contiguous to the main buildings but are located within two  
15 hundred fifty yards of the main buildings, or (B) any other area that  
16 has been determined on an individual case basis by the Centers for  
17 Medicare and Medicaid Services to be part of a hospital's campus;

18 (3) "Facility fee" means any fee charged or billed by a hospital or

19 health system for outpatient hospital services provided in a hospital-  
20 based facility that is: (A) Intended to compensate the hospital or health  
21 system for the operational expenses of the hospital or health system,  
22 and (B) separate and distinct from a professional fee;

23 (4) "Carrier" means each insurer, health care center, hospital service  
24 corporation, medical service corporation or other entity delivering,  
25 issuing for delivery, renewing, amending or continuing any individual  
26 or group health insurance policy in this state providing coverage of the  
27 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-  
28 469;

29 ~~[(4)]~~ (5) "Health system" means: (A) A parent corporation of one or  
30 more hospitals and any entity affiliated with such parent corporation  
31 through ownership, governance, membership or other means, or (B) a  
32 hospital and any entity affiliated with such hospital through  
33 ownership, governance, membership or other means;

34 ~~[(5)]~~ (6) "Hospital" has the same meaning as provided in section 19a-  
35 490;

36 ~~[(6)]~~ (7) "Hospital-based facility" means a facility that is owned or  
37 operated, in whole or in part, by a hospital or health system where  
38 hospital or professional medical services are provided;

39 ~~[(7)]~~ (8) "Professional fee" means any fee charged or billed by a  
40 provider for professional medical services provided in a hospital-based  
41 facility; and

42 ~~[(8)]~~ (9) "Provider" means an individual, entity, corporation or  
43 health care provider, whether for profit or nonprofit, whose primary  
44 purpose is to provide professional medical services.

45 (b) If a hospital or health system charges a facility fee utilizing a  
46 current procedural terminology evaluation and management (CPT  
47 E/M) code for outpatient services provided at a hospital-based facility  
48 where a professional fee is also expected to be charged, the hospital or

49 health system shall provide the patient with a written notice that  
50 includes the following information:

51 (1) That the hospital-based facility is part of a hospital or health  
52 system and that the hospital or health system charges a facility fee that  
53 is in addition to and separate from the professional fee charged by the  
54 provider;

55 (2) (A) The amount of the patient's potential financial liability,  
56 including any facility fee likely to be charged, and, where professional  
57 medical services are provided by an affiliated provider, any  
58 professional fee likely to be charged, or, if the exact type and extent of  
59 the professional medical services needed are not known or the terms of  
60 a patient's health insurance coverage are not known with reasonable  
61 certainty, an estimate of the patient's financial liability based on typical  
62 or average charges for visits to the hospital-based facility, including  
63 the facility fee, (B) a statement that the patient's actual financial  
64 liability will depend on the professional medical services actually  
65 provided to the patient, and (C) an explanation that the patient may  
66 incur financial liability that is greater than the patient would incur if  
67 the professional medical services were not provided by a hospital-  
68 based facility; and

69 (3) That a patient covered by a health insurance policy should  
70 contact the health insurer for additional information regarding the  
71 hospital's or health system's charges and fees, including the patient's  
72 potential financial liability, if any, for such charges and fees.

73 (c) If a hospital or health system charges a facility fee without  
74 utilizing a current procedural terminology evaluation and  
75 management (CPT E/M) code for outpatient services provided at a  
76 hospital-based facility, located outside the hospital campus, the  
77 hospital or health system shall provide the patient with a written  
78 notice that includes the following information:

79 (1) That the hospital-based facility is part of a hospital or health

80 system and that the hospital or health system charges a facility fee that  
81 may be in addition to and separate from the professional fee charged  
82 by a provider;

83 (2) (A) A statement that the patient's actual financial liability will  
84 depend on the professional medical services actually provided to the  
85 patient, and (B) an explanation that the patient may incur financial  
86 liability that is greater than the patient would incur if the hospital-  
87 based facility was not hospital-based; and

88 (3) That a patient covered by a health insurance policy should  
89 contact the health insurer for additional information regarding the  
90 hospital's or health system's charges and fees, including the patient's  
91 potential financial liability, if any, for such charges and fees.

92 (d) The written notice described in subsections (b) and (c) of this  
93 section shall be in plain language and in a form that may be reasonably  
94 understood by a patient who does not possess special knowledge  
95 regarding hospital or health system facility fee charges.

96 (e) (1) For nonemergency care, if a patient's appointment is  
97 scheduled to occur ten or more days after the appointment is made,  
98 such written notice shall be sent to the patient by first class mail,  
99 encrypted electronic mail or a secure patient Internet portal not less  
100 than three days after the appointment is made. If an appointment is  
101 scheduled to occur less than ten days after the appointment is made or  
102 if the patient arrives without an appointment, such notice shall be  
103 hand-delivered to the patient when the patient arrives at the hospital-  
104 based facility.

105 (2) For emergency care, such written notice shall be provided to the  
106 patient as soon as practicable after the patient is stabilized in  
107 accordance with the federal Emergency Medical Treatment and Active  
108 Labor Act, 42 USC 1395dd, as amended from time to time, or is  
109 determined not to have an emergency medical condition and before  
110 the patient leaves the hospital-based facility. If the patient is

111 unconscious, under great duress or for any other reason unable to read  
 112 the notice and understand and act on his or her rights, the notice shall  
 113 be provided to the patient's representative as soon as practicable.

114 (f) Subsections (b) to (e), inclusive, of this section shall not apply if a  
 115 patient is insured by Medicare or Medicaid or is receiving services  
 116 under a workers' compensation plan established to provide medical  
 117 services pursuant to chapter 568.

118 (g) A hospital-based facility shall prominently display written notice  
 119 in locations that are readily accessible to and visible by patients,  
 120 including patient waiting areas, stating that: (1) The hospital-based  
 121 facility is part of a hospital or health system, and (2) if the hospital-  
 122 based facility charges a facility fee, the patient may incur a financial  
 123 liability greater than the patient would incur if the hospital-based  
 124 facility was not hospital-based.

125 (h) A hospital-based facility shall clearly hold itself out to the public  
 126 and payers as being hospital-based, including, at a minimum, by  
 127 stating the name of the hospital or health system in its signage,  
 128 marketing materials, Internet web sites and stationery.

129 (i) Notwithstanding the provisions of this section, on and after  
 130 October 1, 2015: (1) No hospital or health system shall charge a facility  
 131 fee (A) for services classified by the Medicare Payment Advisory  
 132 Commission as Group 1 or Group 2 ambulatory payment classification  
 133 in its June 2013 Report to Congress: Medicare and the Health Care  
 134 Delivery System, as updated from time to time, (B) for services  
 135 classified as evaluation and management, or (C) of more than one  
 136 hundred dollars for services received by a patient that is uninsured;  
 137 and (2) each carrier shall provide coverage for facility fees as medical  
 138 expenses.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	19a-508c
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**Statement of Legislative Commissioners:**

In Section 1(a)(4) "any group health insurance policy" was changed to "any individual or group health insurance policy" and "subdivisions (1), (2), (4), (6), (10), (11) and (12)" was changed to "subdivision (1), (2), (4), (11), (12)" for accuracy.

**PH**            *Joint Favorable Subst.*